

AMENDED 4/28/04

("Post Foreclosure Sale Procedures – Section 3" amended to require Compliance Certification for owned or affiliate-owned projects)



Property at a Glance

Gates Patchen Housing Apartments FHA# 012-55174

ADDRESS: **940-950 Gates Ave.** EARNEST MONEY: **\$150,000** SALES PRICE: **Unstated Minimum**
Brooklyn, NY 11221-3636 TERMS: **All Cash**
 COUNTY: **Kings** LETTER OF CREDIT: **\$726,961** SALE TYPE: **Foreclosure Verbal Bid**

PROPERTY INFORMATION

Total Units			Residential		Commercial		Foundation: Concrete		
105			Revenue 104		0		Roof: Built Up Roof		
			Non-Revenue 1				Exterior: Brick Veneer		
							Floors/Finish: Concrete and wood / Carpet		
Elevator	Garden	Walk-up	Townhouse	Scattered Sites	Service Center	Mobile Home Park	Nursing Home	Vacant Land	Other:
X									Mid Rise
Number of Buildings		Stories		Year Built		Rehab Year		Site Acreage	Approximate Net Rentable Area
2		6		1972		N/A			

Mechanical Systems

Heating:		Air Conditioning	
Fuel System	Oil	Windows	Individual
Hot Water:			
Fuel System	Oil		
	Central		

Utilities

Public Water	X
Gas Main	X
Electric	X
Sanitary Sewer	X
Storm Sewer	
Septic Tank	

Parking

Street	Asphalt
Curb	
Sidewalk	Concrete
Parking Lot	Asphalt
Parking Spaces	10 (bsmt)
	40

Apartment Features

	Air Conditioning
	Dishwasher
	Microwave
	Garbage Disposal
X	Refrigerator
X	Range/Oven
X	Drapes/Blinds

Community Features

	Garage
	Covered Parking
X	Laundry Facility
	Cable/Sat Hookup
X	Playground
	Pool
X	Community Space

Owner Expense

Refrigerator
Laundry
Heat
Hot Water
Electricity
Refuse Removal

Tenant Expense

Air Conditioner
CATV
Telephone

OCCUPANCY

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2002	96%	96%	96%	96%	96%	96%	97%	99%	99%	99%	99%	99%
2001									96%	96%	96%	96%

ESTIMATED ANNUAL RENTAL INCOME:

Number of Units	Type	Approx Square Feet	Current Rent	Estimated /Possible After Sale Rent	Estimated /Possible Total After Sale Rent	Total Estimated/Possible Annual Income	
2	0 Bed	598	\$565	\$675	\$1,350	Rent	\$1,206,624
12	1 Bed	598	572	800	9,600	Commercial	0
66	2 Bed	784	676	925	61,050	Parking	0
20	3 Bed	1127	783	1,175	23,500	TOTAL	\$1,206,624
4	4 Bed	1378	925	1,263	5,052	Estimated Annual Expenses	
						Administrative	\$168,742
						Utilities	143,753
						Operating	126,710
						Taxes/Insurance	139,821
						Reserve/Replace	17,882
						TOTAL	\$596,908
TOTAL MONTHLY					\$100,552		

COMMENTS CONCERNING PROPERTY INFORMATION:

Due diligence should be performed in advance of submitting a bid. While care has been exercised to ensure accuracy, all information provided is solely for the purpose of permitting parties to determine whether or not the property is of such type and general character as to interest them in its purchase. HUD makes no warranty as to the accuracy of such information.

USE RESTRICTIONS

20 Years affordable housing. 2 Years rent cap protection for all applicable residents.

TENANT BASED SECTION 8

Housing choice vouchers will be issued to eligible residents of the complex by the public housing agency (PHA), New York City Housing Authority, selected to administer the voucher assistance by HUD. Housing choice vouchers are tenant-based assistance. Tenant-based assistance means that the subsidy follows the program participant and is not attached or connected to a specific project or unit. Therefore, the voucher assistance should never be considered a form of guaranteed rental subsidy for the property. The families are not obligated to use the housing choice vouchers at the property. Therefore, there will be no project-based subsidy at this property.

In addition, the processing of the voucher funding and the determination of family eligibility by the PHA may take several months following the closing of the sale. The PHA must also determine the owner's rent is reasonable and the unit meets the housing quality standards of the housing choice voucher program. If the rent is determined not to be reasonable in comparison to similar unassisted units in the market area, the family will have to move to receive voucher assistance. Voucher housing assistance payments for a unit may not under any circumstances cover any period before the date the PHA determines the unit meets the housing quality standards. Since the owner will not receive voucher housing assistance payments or increase the tenant's share of the rent during this period, bidders should take into consideration the time that may be necessary for voucher funding to become available, the PHA to determine family and unit eligibility, and the owner to complete any needed repairs when making an offer.

TERMS OF SALE

The purchaser must complete the repairs to HUD's satisfaction within 24 months after closing. The repairs are estimated to cost 2,907,843.

Closing is to be held 30 days after HUD accepts the bid. If HUD authorizes an extension of the closing, the purchaser must pay a fee which is the greater of 1.5% of the purchase price or HUD's holding costs of \$41.67 per unit per day for each 30 day period.

The purchaser must be processed and approved for acceptability to do business with HUD under HUD's Previous Participation Review and Clearance Procedures (set forth at 24 CFR 200.10) through the Active Partners Performance System (APPS).

The purchaser must certify to HUD that any other projects that are owned by the purchaser or its affiliates and are located in the same jurisdiction as Gates-Patchen Housing Apartments are in substantial compliance with applicable State and/or local housing statutes, regulations, ordinances and codes. HUD may, in its discretion, verify the accuracy of such certification and request supporting documentation from the high bidder. If HUD determines at its sole discretion that such other projects are not in substantial compliance, HUD will have the right to refuse to sell the project to the high bidder.

PROSPECTIVE BIDDERS SHOULD READ AND THOROUGHLY UNDERSTAND ALL INFORMATION PROVIDED HEREIN AND IN THE BID KIT PRIOR TO SUBMITTING A BID.

This is an "All Cash – As Is" sale. HUD is providing no financing for this sale. The purchaser must provide for payment of the full purchase price in cash at closing.

Submission of Bids: Bids for this property can only be considered for acceptance if submitted on the specific forms listed in the Bid Kit for this property, along with required earnest money. A Bid Kit may be obtained as indicated below.

Suspended or Debarred Parties: No consideration will be given to a bid submitted by any party currently suspended or debarred from participating in HUD programs. AS PROVIDED FOR IN 24 CFR, SEC. 27, THE DEFAULTING MORTGAGOR, OR ANY PRINCIPAL, SUCCESSOR, AFFILIATE, OR ASSIGNEE ON THE MORTGAGE AT THE TIME OF DEFAULT SHALL NOT BE ELIGIBLE TO BID ON OR OTHERWISE PURCHASE THIS PROPERTY. (Principal and Affiliate are defined at 24 CFR 24.105.)

INSPECTION OF PROPERTY AND BIDDING INSTRUCTIONS

Prospective bidders are urged and invited to inspect the property prior to submitting a bid. Note: If this is a foreclosure sale, HUD may not have access to the property. Bids for this property can only be considered if properly submitted by following the bidding instructions provided in the FREE INFORMATION and BID KIT.

The FREE INFORMATION and BID KIT may be viewed or printed at www.hud.gov/offices/hqs/mfh/pd/multifam.cfm. You may also sign up for our electronic mailing list at this web address. If you do not have access to the internet or can not download a PDF file, you may obtain a bid kit by calling (719) 550-9291, or faxing (719) 550-1622, or by email to: "usa0567@kinkos.com"

BIDS for Gates Patchen Housing MUST BE PRESENTED ON:

May 5, 2004
at: 1:00pm local time at:
Kings County Supreme Courthouse
360 Adams Street
Brooklyn, NY 11201

HUD OFFICE:
Atlanta MFPD Center

Five Points Plaza
40 Marietta St.
Atlanta, GA 30303

REALTY SPECIALIST:
Bob Doran x2053. Donald Winston
x2095
Phone: (404) 331-5001
Robert_e.doran@hud.gov
Donald_j.Winston@hud.gov